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GAIN Report

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Voluntary - Public

Date: 10/27/2009

GAIN Report Number: TH9160

Thailand

Post: Bangkok

Weekly Rice Price Update

Report Categories:

Grain and Feed

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Report Highlights:

TH9160 Domestic and export prices increased slightly by 1-2 percent due to approval of government measures to support domestic prices. The Price Insurance scheme is moving on, however challenges persist as the market prices of paddy are lower than the benchmark prices.

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Oct. 26, 2009

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
FWR 100 B	995	-	1,000	-	1,000	990	-	996	994
WR 100 B	490	-	520	-	510	520	500	508	508
PB 5%	535	-	580	-	560	555	540	554	555
WR 5%	475	-	500	-	490	495	480	488	486
WR 10%	465	-	-	-	480	485	-	477	473
WR 15%	430	-	-	-	-	465	-	448	445
WR 25%	400	-	-	-	-	425	-	413	405
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	285	-	300	-	290	310	-	296	293
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 33.30 baht/U.S.\$

Source: Average actual prices received from exporters

Domestic and export prices increased slightly by 1-2 percent. On October 20, the Cabinet approved measures to prevent further price declines. The measures in place are the direct purchase of 2.0 million tons of white rice paddy at benchmark prices by the Public Warehouse Organization and the Marketing Organization for Farmers, and the on-farm mortgage of 2.0 million tons of mostly fragrant rice paddy by the Bank for Agriculture and Agricultural Cooperatives (BAAC) from November 2009 – February 2010.

Some quotations remained unchanged from the previous week as exporters remain uncertain of the market course and as such have been cautious executing new sales. This uncertainty stems from mixed expectations on the new crop harvest, the government release of the 5-6 million tons of intervention stocks and the impact of the new enacted measures.

The Price Insurance scheme is moving on, however challenges persist as the market prices of paddy are lower than the benchmark prices. Farmers selling their production during this period do not expect to attain the insured prices set by the government, this has created discomfort among some sectors in the rice industry, who want the government to revert its policy by implementing last season's mortgage scheme.

Table: Price Insurance Scheme for MY 2009/2010 rice crop

	Rice paddy				
	Fragrant rice (Hom Mali)	Provincial fragrant rice	Pathum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household) ^{a/}	14	16	25	16	25
2. Insured prices (Baht/ton) ^{a/}	15,300	14,300	10,000	9,500	10,000
3. Benchmark prices (Baht/ton) ^{b/}					
Oct. 1-15	14,986	13,899	9,896	7,523	8,806
Oct. 16-30	14,940	13,860	8,940	7,470	8,466
4. Compensation (1-2), (Baht/ton)					
Oct. 1-15	314	401	104	1,977	1,194
Oct. 16-30	360	440	1,060	2,030	1,534
5. Market prices (Baht/ton)					
Oct. 1-15	n.a.	n.a.	8,500	n.a.	8,600
Oct. 16-30	13,800	n.a.	8,550	n.a.	8,200

Note:

^{a/} Cabinet approval on Sep. 22, 2009

^{b/} The benchmark prices will be published twice a month on the 1st and 16th, based on average historical wholesale prices of the last 15 days in Bangkok. These prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary of Ministry of Commerce.

Rice Export Update

Unofficial exports (excluding fragrant rice) for Oct. 19-25, 2009 totaled 145,259 tons, up 42,863 tons from the previous week, and up 32,257 tons from the four-week moving average of 113,002 tons. Exports of white rice during Jan. 1 – Oct. 25, 2009 totaled 4,916,257 tons, as compared with 6,770,868 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1 – Oct. 16, 2009 amounted to 6,817,874 tons, down 21.9 percent from 8,731,549 tons in the previous year.

Table 2: Weekly rice exports (excluding fragrant rice)

WEEK ENDING	QUANTITY	4 WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
Aug 9	114,776	113,679	3,587	5,421	-33.8
Aug 16	112,267	109,487	3,700	5,547	-33.3
Aug 23	126,240	116,282	3,826	5,693	-32.8
Aug 30	139,731	123,253	3,966	5,851	-32.2
Sep 6	105,702	120,985	4,071	5,988	-32.0
Sep 13	134,061	126,434	4,205	6,118	-31.3
Sep 20	142,128	130,406	4,348	6,246	-30.4
Sep 27	116,648	124,635	4,464	6,383	-30.1
Oct 4	96,150	122,247	4,560	6,468	-29.5
Oct 11	108,202	115,782	4,669	6,536	-28.5
Oct 18	102,396	105,849	4,771	6,692	-28.7
Oct 25	145,259	113,002	4,916	6,771	-27.4

Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.

Source: Board of Trade of Thailand

Table 3: Weekly private registered rice export sales

Movement (MT)	Oct. 5-9	Oct. 12-16 (revised)	Oct. 19-23
Weekly sales	83,539	151,784	123,559
4 week sum	329,657	377,948	424,818
4 week mov. avg.	82,414	94,487	106,205
Total weekly sales	4,999,010	5,150,794	5,274,353

End of report.